

House 2011-13 Budget Proposal

The budget proposal would suspend all funding to SWS for the biennium, a loss of \$45 million.

Impact of Proposed Suspension for 2011-13

- Loss of 19,000 SWS awards for low and middle income resident graduates and undergraduates
- Loss of \$6,400 in average biennial SWS earnings equates to a 25% increase in unmet cost of attendance for each needy student
- Increased student indebtedness occurs as loans replace work
- 2,000 contracted Washington employers lose millions of hours of workforce productivity
- Taxpayers lose \$15 million in leveraged employer matching funds over two years, forfeiting a 34% return on investment
- \$60 million compounded economic activity is lost in communities across the state
- Policy makers sacrifice a key tool to achieve workforce development goals through SWS placement priorities in targeted fields
- Work opportunities are reduced to only 1% of all financial assistance available to students

Policy Considerations

- SWS students are defined by their desire to offset the rising cost of earning a college degree by helping themselves through work instead of loans.
- Data consistently point to both persistence and completion improvements when students participate in structured but flexible part-time work programs.
- Washington has a vital interest in connecting resident students pursuing degrees with the employers eager to shape and hire tomorrow's work force.
- Real world work opportunities, linked to students' academic or career pursuits, clarify degree goals and focus students on developing skills that add to their marketability and utility to future employers.
- A vital SWS program supports Washington's future economic prosperity and the achievement of its higher education goals.

Please note: This brief reflects the impacts associated with the initial House budget proposal, as offered by the Chair of the House Ways & Means committee. The final budget will not be released until the conference budget is agreed to by the Legislature.

Governor's Budget Proposal Impacts: <http://www.hecb.wa.gov/research/budgets/documents/SWS1-5-2011.pdf>

For program and policy information contact Rachelle Sharpe at rachelles@hecb.wa.gov (360-753-7872) or Jeffrey Powell at jeffreyp@hecb.wa.gov (360-704-4150)

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“State Work Study provided me with a unique opportunity to experience what it’s like to put classroom learning to work in real life situations... I’ve developed a better work ethic, improved my interpersonal skills, and have a deeper understanding of what it takes to get things done in my field.”

SWS Student Teacher

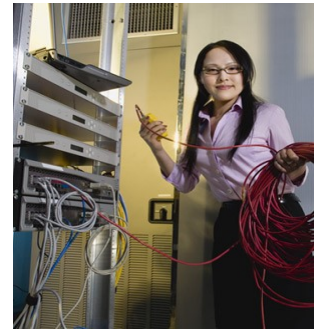
“Without State Work Study, our business would not have made nearly the progress, or been able to sustain the level of growth, especially in this difficult economic environment. Many of the students we’ve helped train over the years have been hired on as full time employees after graduation. SWS is a win-win for both employers and students.”

**SWS Employer,
web-hosting and design**



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Revised 12-17-2010



Washington State Work Study Program

Program Overview

For the past 36 years, the State Work Study (SWS) program has helped students earn money for college, while gaining valuable work experience, often in jobs related to their academic and career goals.

In 2009-10, about 8,650 students earned nearly \$27 million—roughly \$20 million from the state, and \$7 million leveraged through matching dollars from participating employers. SWS students earn an average of \$3,000 annually by working up to 19 hours per week while in school, and even more hours during school breaks.

Program Purpose

- SWS provides low- and middle-income students with an opportunity to help themselves pay for college now, through leveraged earnings, instead of postponing those costs through increased loan burdens.
- Participating students gain employment experience in fields directly related to their studies, resulting in improvements to persistence, degree completion, and future job market competitiveness.
- SWS employers benefit from increased business productivity, preview potential new employees, and play a crucial role in developing the work force skills that will position Washington’s economy for sustained future growth.
- Both undergraduate and graduate level students who demonstrate financial need are eligible.

Benefits to Students

The work study experience tests academic learning, builds workplace skills valued by employers, and differentiates future graduates in an increasingly competitive job market. SWS provides an alternative to high levels of student borrowing, reducing debt burdens for future taxpayers.

State Work Study improves persistence among financially needy students. Research indicates that students who work between 10 and 19 hours per week are more likely to persist than non-working students. When the work experiences are related to their academic program or vocational area, students are even more likely to stay in school.

Washington State Work Study Program

Benefits to Washington

Because the state and employers share the cost of student wages, the state can leverage its financial aid resources to provide additional aid to needy students, thereby increasing access and affordability for more Washington citizens.

In 2010-11, an estimated \$7 million in additional student aid will be generated through employer matching contributions, or a 34% return on investment for Washington taxpayers.

Additional benefits include:

- SWS employers in Washington save money on wages and increase business productivity.
- SWS helps students prepare for careers and find jobs after graduation.
- Employers often hire former SWS students as employees.

Program Results

- Interest from nearly 2,000 employers, and thousands of graduate and undergraduate students typically outstrips program resources.
- 83% of participating students reported that SWS has been critical to their ability to successfully pursue a degree.
- 71% of participating students indicated that they would not be able to afford to stay in school without SWS.
- 86% of participating students said that SWS helped clarify their educational and career goals.
- 94% of participating students believe that SWS work experiences have made them more marketable for future employers.

“It’s really hard for new graduates to get jobs if they don’t have practical experience that sets them apart from all the other applicants vying for limited employment opportunities.

Through my State Work Study position in the information technology area, I am developing a range of skills while in school that I believe will give me a lot more choices in my career path once I’ve graduated.”

**SWS Student
Technology Assistant**

Emerging Issues

- SWS program funding was reduced 31.4 percent, (\$7.4 million) during 2010-11 as a result of continuing state revenue shortfalls.
- Major policy changes on non-resident eligibility and employer match rates also were directed by the Legislature as a means of reducing the impact to needy resident students.
 - Employer participation levels may be negatively impacted based on lower reimbursements, reduced numbers of awarded students, lower award levels, and increased competition for student hires.
 - Only resident students will be eligible for SWS after 2010-11.

More Information

For more information on the Washington State Work Study Program, please contact Jeffrey Powell at jeffreyp@hecb.wa.gov or 360-704-4150.

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